# Filing at a Glance

Company: Pacific Life Insurance Company

Product Name: Insured LDI

SERFF Tr Num: PFMD-126875463

State: Arkansas

TOI: A10 Annuities - Other

SERFF Status: Closed-Approved-Closed

State Tr Num: 47247

Sub-TOI: A10.000 Annuities - Other

Co Tr Num: 80-1188

State Status: Approved-Closed

Filing Type: Form

Reviewer(s): Linda Bird

Authors: Anne Sexton, Dean May, zSERFFStaff zIndustrySupportJM, Brian Deleget, Maysy Novak, Karen Givens

Disposition Date: 12/06/2010

Date Submitted: 11/08/2010

Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

# General Information

Project Name: Insured LDI

Project Number: 80-1188

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 12/06/2010

Deemer Date:

Submitted By: Anne Sexton

Status of Filing in Domicile: Authorized

Date Approved in Domicile: 11/05/2010

Domicile Status Comments: Approved.

Market Type: Group

Group Market Size: Large

Group Market Type: Employer, Other

Explanation for Other Group Market Type: ERISA benefit plans

State Status Changed: 12/06/2010

Created By: Anne Sexton

Corresponding Filing Tracking Number: 80-1188

Filing Description:

Enclosed for the Department’s review and approval is Form 80-1188. Group Annuity Contract 80-1188 is a non-participating commingled guaranteed separate account product. It will be marketed to ERISA-qualified defined benefit pension plans via specialized pension plan consultants. This product is called Insured Liability Driven Investing (“Insured LDI”).

The recent market environment (e.g., volatility of discount rates and asset valuations) and regulatory changes (e.g., the Pension Protection Act of 2006 and FASB Statement No. 158) have caused many defined benefit pension plans to pursue Liability Driven Investing (LDI) strategies. The Contract provides a way for the pension plan to obtain a better asset-liability match from both an economic perspective (i.e., the cash flows associated with the Contract will match the cash flows of the plan's benefit obligation) and from an accounting perspective (i.e., the Contract Value and the related benefit obligation will move together in response to changes in discount rates, resulting in reduced balance sheet and P&L volatility).

The Contract Value is equal to the aggregate present value of scheduled cash flows, as provided by the plan sponsor, mutually agreed to by Pacific Life and stated in the Contract. Such present value is calculated by discounting the scheduled cash flows with a publicly available interest rate series, i.e. the Citigroup Pension Discount Curve (the "Discount Curve"), which is the same or similar interest rate series used by the pension plan to determine its pension liability for accounting and tax reporting purposes. The Contract Value is calculated as of the end of each month, coinciding with the effective date of the published Discount Curve. All transactions related to the Contract are at Contract Value.

Pacific Life guarantees the Contract Value regardless of the performance of the separate account assets and manages the separate account assets to pay the scheduled cash flows, as stated in the Contract, to the pension plan.

The plan sponsor has options under the Contract, subject to contractual notification requirements, to redeem all or a portion thereof the Contract Value beyond the scheduled cash flows for Pacific Life annuities or cash. Subject to contractual notification requirements, either the plan sponsor or Pacific Life may elect to terminate the Contract.

Nebraska is the domiciliary state of Pacific Life Insurance Company. Form 80-1188 was approved by the Nebraska DOI on November 5, 2010.

Application Form GR-8277, approved by your Department on December 13, 1984, will be used with this form. Annuity Certificate Form GR-8380-I, approved by your Department on January 17, 2008, will be used with this form.

The form is in its final printed form. The material in brackets is variable material that may be changed by negotiation between Pacific Life and a prospective contractholder or material that Pacific Life may change periodically prior to issue to reflect changed business and financial conditions. I have attached a Schedule of Variable Material with this filing to explain the variable items.

This form is to the best of our knowledge, information and belief, in compliance with laws and regulations of your jurisdiction.

Thank you for your attention to this filing.

## Company and Contact

### Filing Contact Information

Anne Sexton, Supervisor, Contracts & Compliance
anne.sexton@pacificlife.com
700 Newport Center Drive
949-219-3924 [Phone]
RSD- ISP/Contracts & Compliance
949-718-5783 [FAX]
Newport Beach, CA 92660

### Filing Company Information

| | | |
|---|---|---|
| Pacific Life Insurance Company | CoCode: 67466 | State of Domicile: Nebraska |
| 700 Newport Center Drive | Group Code: | Company Type: |
| RSD - ISP/Contracts & Compliance | Group Name: | State ID Number: |
| Newport Beach, CA 92660 | FEIN Number: 95-1079000 | |
| (949) 219-3924 ext. [Phone] | | |

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## Filing Fees

| | |
|---|---|
| Fee Required? | Yes |
| Fee Amount: | $50.00 |
| Retaliatory? | No |
| Fee Explanation: | $50.00 per policy form |
| Per Company: | No |

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|---|---|---|---|
| Pacific Life Insurance Company | $50.00 | 11/08/2010 | 41634802 |

# Correspondence Summary

### Dispositions

| Status | Created By | Created On | Date Submitted |
|---|---|---|---|
| Approved-Closed | Linda Bird | 12/06/2010 | 12/06/2010 |

### Filing Notes

| Subject | Note Type | Created By | Created On | Date Submitted |
|---|---|---|---|---|
| Response to question about where filed and approved | Note To Reviewer | Anne Sexton | 12/03/2010 | 12/03/2010 |
| LDI Product Filing | Note To Filer | Linda Bird | 11/23/2010 | 11/23/2010 |

# Disposition

Disposition Date: 12/06/2010
Implementation Date:
Status: Approved-Closed
Comment:

Rate data does NOT apply to filing.

| Schedule | Schedule Item | Schedule Item Status | Public Access |
|---|---|---|---|
| **Supporting Document** | Flesch Certification | | No |
| **Supporting Document** | Application | | Yes |
| **Supporting Document** | Life & Annuity - Acturial Memo | | No |
| **Supporting Document** | Schedule of Variability for Insured LDI 80-1188 | | Yes |
| **Supporting Document** | Plan of Operations for Insured LDI 80-1188 | | Yes |
| **Form** | Insured LDI | | Yes |

## Note To Reviewer

**Created By:**

Anne Sexton on 12/03/2010 01:56 PM

**Last Edited By:**

Anne Sexton

**Submitted On:**

12/03/2010 01:56 PM

**Subject:**

Response to question about where filed and approved

**Comments:**

I apologize for the delayed response; I check my SERFF messages but somehow missed this one. We have filed this form in 34 states to date, and have received approval in 19 so far. This form is exempt in filing in 11 states and there are 6 jurisdictions where we have not filed yet. We have received approvals, or the filing has been accepted as 'filed', in: Delaware, Illinois, Maryland, Massachusetts, Michigan, Nebraska (domicile state), Texas, Washington, District of Columbia, Idaho, Iowa, Kentucky, Maine, New Mexico, Ohio, Oklahoma, Rhode Island, South Dakota, West Virginia. It is exempt from filing, as a group annuity, in Alaska, Arizona, Georgia, Hawaii, Indiana, New Jersey, Pennsylvania, South Carolina, Tennessee, Virginia, and Colorado.

## Note To Filer

**Created By:**

Linda Bird on 11/23/2010 11:21 AM

**Last Edited By:**

Linda Bird

**Submitted On:**

11/23/2010 11:21 AM

**Subject:**

LDI Product Filing

**Comments:**

It was noted in your filing this product was approved in your domiciliary state of Nebraska on 11/5/10. What other state's have you filed and received approval for this LDI Product?

| | | | |
|---|---|---|---|
| *SERFF Tracking Number:* | *PFMD-126875463* | *State:* | *Arkansas* |
| *Filing Company:* | *Pacific Life Insurance Company* | *State Tracking Number:* | *47247* |
| *Company Tracking Number:* | *80-1188* | | |
| *TOI:* | *A10 Annuities - Other* | *Sub-TOI:* | *A10.000 Annuities - Other* |
| *Product Name:* | *Insured LDI* | | |
| *Project Name/Number:* | *Insured LDI/80-1188* | | |

# Form Schedule

**Lead Form Number: 80-1188**

| Schedule Item Status | Form Number | Form Type | Form Name | Action | Action Specific Data | Readability | Attachment |
|---|---|---|---|---|---|---|---|
| | 80-1188 | Policy/Contract/Fraternal Certificate | Insured LDI | Initial | | 0.000 | 80-1188 Insured LDI contract.pdf |

GROUP ANNUITY CONTRACT

G-[12345.00.0000 ]1**(the Contract)**

PACIFIC LIFE INSURANCE COMPANY, a Nebraska stock corporation (Pacific Life), agrees to accept deposits and to pay benefits in such amounts, and to such persons, as are designated in writing by

[ TRUSTEES OF ABC COMPANY DEFINED BENEFIT PLAN ]2
(Contractholder)

This Contract is issued in consideration of the application of the Contractholder, a copy of which is attached to and made a part of this Contract, and the payments of deposits made by the Contractholder to Pacific Life pursuant to this Contract.

PACIFIC LIFE MAINTAINS A SEPARATE ACCOUNT IN CONNECTION WITH THIS CONTRACT. THE CONTRACTHOLDER SHALL HAVE CERTAIN RIGHTS AND GUARANTEED BENEFITS UNDER THIS CONTRACT AS CONFERRED BY PACIFIC LIFE AND APPLICABLE INSURANCE LAWS. ALL AMOUNTS ALLOCATED TO THE SEPARATE ACCOUNT SHALL NOT BE CHARGEABLE WITH LIABILITIES ARISING OUT OF ANY OTHER BUSINESS PACIFIC LIFE MAY CONDUCT.

This Contract is an insurance contract and not a security. The Contractholder shall have only those rights and benefits conferred by applicable insurance laws and this Contract. This Contract is governed by laws relating to insurance contracts of the State of [Nebraska]3.

This Contract is executed for Pacific Life at its Office at Newport Beach, California on [ * ]4, to take effect as of [*]5

**INSURED LDI**

[ President Secretary ]6

# TABLE OF CONTENTS

[Page No.

SECTION 9 - CONTRACT DISCONTINUANCE



SECTION 10 - GENERAL PROVISIONS



APPLICATION ]8

## SPECIFICATIONS PAGE

Discount Curve: [Citigroup Pension Discount Curve]9

Expense Charge: [1.500%]10 annually; [0.125%]11 monthly

*Maximum Annual Expense Charge: [2.000%]12

Attached to and made a part of Group Annuity Contract G-[12345.00.0000]1 as of [March 31, 2011]5 and replaces all prior SPECIFICATIONS PAGE.

| [PACIFIC LIFE INSURANCE COMPANY | CONTRACTHOLDER |
|---|---|
| By:______________________________ | By:______________________________ |
| (Signature) | (Signature) |
| ______________________________ | ______________________________ |
| (Name) | (Name) |
| ______________________________ | ______________________________ |
| (Title) | (Title) ]13 |

## SCHEDULE OF DEPOSITS

| Deposit Date: | Deposit Amount: |
|---|---|
| [January 31, 2011]14 | [$40,000,000]15 |

Attached to and made a part of Group Annuity Contract G-[12345.00.0000]1 as of [March 31, 2011]5 and replaces all prior SCHEDULE OF DEPOSITS.

| [PACIFIC LIFE INSURANCE COMPANY | CONTRACTHOLDER |
|---|---|
| By:______________________________ | By:______________________________ |
| (Signature) | (Signature) |
| ______________________________ | ______________________________ |
| (Name) | (Name) |
| ______________________________ | ______________________________ |
| (Title) | (Title) ]13 |

## SCHEDULE OF NOTIONAL PAYMENTS

The Notional Payment Amount will be paid on the Transaction Date corresponding to the Notional Payment Date. That is, for a Notional Payment Date of month mm and year yyyy, the Transaction Date is in month mm of year yyyy.

| Notional Payment Date: | Notional Payment Amount: |
|---|---|
| [06 - 2011]16 | [$1,416,574]17 |
| [06 - 2012]16 | [$1,890,708]17 |
| [06 - 2013]16 | [$2,268,614]17 |
| [06 - 2014]16 | [$2,659,469]17 |

Attached to and made a part of Group Annuity Contract G-[12345.00.0000]1 as of [March 31, 2011]5 and replaces all prior SCHEDULE OF NOTIONAL PAYMENTS.

| [PACIFIC LIFE INSURANCE COMPANY | CONTRACTHOLDER |
|---|---|
| By:____________________ | By:____________________ |
| (Signature) | (Signature) |
| ____________________ | ____________________ |
| (Name) | (Name) |
| ____________________ | ____________________ |
| (Title) | (Title) ]13 |

## SECTION I - DEFINITIONS

As used in this Contract, the following terms, when initial capital letters are used, shall have the meaning set forth below:

1.01. "Annual Cash Redemption Limit" shall have the meaning given in Section 6.01.

1.02. "Annual Spot Rate" shall have the meaning given in Section 2.01. All references to such Annual Spot Rate shall be expressed as a decimal.

1.03. "Annuitization Date" shall have the meaning given in Section 7.01.

1.04. "Asset Valuation Date" means any date on which a national securities exchange lists a sales price for any publicly traded security.

1.05. "Business Day" means each day that both the New York Stock Exchange is open for trading and our administrative offices are open. If any transaction or event under this Contract is scheduled to occur on a day that does not exist in a given calendar period, or on a day that is not a Business Day, such transaction or event will be deemed to occur on the next following Business Day unless otherwise stated.

1.06. "Contractholder" shall have the meaning given on the first page of this Contract.

1.07. "Contract Valuation Date" means the last calendar day of a calendar month.

1.08. "Contract Value" shall have the meaning given in Section 2.01.

1.09. "Deposit Amount" means the amount set forth under the heading "Deposit Amount" on the Schedule of Deposits.

1.10. "Discount Curve" means **[**the Citigroup Pension Discount Curve (CPDC) **]9 [**as published monthly on the Society of Actuaries website**]18**.

1.11. "Expense Charge" is the fee as identified on the Specifications Page that will be invoiced and paid separately by the Contractholder to Pacific Life in accordance with Section 10.08.

1.12. "Initial Deposit Amount" shall have the meaning given in Section 3.01.

1.13. "Market Value of the Separate Account" shall have the meaning given in Section 4.02.

1.14. "Notional Payment Amount" means the amount set forth under the heading "Notional Payment Amount" on the Schedule of Notional Payments.

1.15. "Notional Payment Date" means the date set forth under the heading "Notional Payment Date" on the Schedule of Notional Payments.

1.16. "Notional Payment Amount One" shall have the meaning given in Section 5.02.

1.17. "Notional Payment Amount Two" shall have the meaning given in Section 5.02.

1.18. "Notional Payment Amount Three" shall have the meaning given in Section 5.02.

1.19. "Plan" means [ABC Company Defined Benefit Plan]19, as it may be amended from time to time. The Plan is for purposes of reference only under this Contract. It is not incorporated into or made a part of this Contract, nor is any obligation thereunder assumed by Pacific Life, nor shall the Plan or any amendment thereto be construed to amend or modify this Contract in any way.

1.20. "Separate Account" means Pacific Life Separate Account No. [80]20 which Pacific Life maintains under this Contract and to which Pacific Life will allocate amounts paid to it in connection with ERISA-qualified defined benefit employee benefit plans, including retirement plans which meet the requirements for qualification under Section 401(a) of the Internal Revenue Code, or governmental plans as defined in Section 414(d) or 403(b), or 457 of such Code, as those Sections may be amended from time to time. All amounts allocated to the Separate Account shall not be chargeable with liabilities arising out of any other business Pacific Life may conduct.

1.21. “Schedule of Deposits” means the Schedule of Deposits attached hereto, as amended from time to time in accordance with the terms of this Contract.

1.22. “Schedule of Notional Payments” means the Schedule of Notional Payments attached hereto, as amended from time to time in accordance with the terms of this Contract.

1.23. “Specifications Page” means the Specifications Page attached hereto.

1.24. “Termination Date” is the date that is [3]21 Business Days following the publication of the Discount Curve respective to the Contract Valuation Date specified in the advance written notification by the respective party as the effective date of discontinuance of the Contract.

1.25. “Transaction Date” means the last Business Day of a calendar month.

**SECTION 2 – CONTRACT VALUE**

2.01 Contract Value

Unless stated otherwise, the Contract Value is the aggregate discounted present value, calculated as described below and rounded to the 2nd decimal place, as of the Contract Valuation Date, of all Notional Payment Amounts that have Notional Payment Dates beyond the Contract Valuation Date, discounted using the Discount Curve as of the Contract Valuation Date.

Contract Value = $\sum_{\mathbf{T=1}}^{\mathbf{N}}$ Notional Amount$_T$ * (1 + Annual Spot Rate$_{T/12}$)$^{(-T/12)}$

T is a range of counting numbers from 1 to N where N is the number of calendar months from the Contract Valuation Date to the last Notional Payment Date with a Notional Payment Amount in the Schedule of Notional Payments.

The Annual Spot Rate for the time period T divided by 12, expressed in years, is as published in the Discount Curve. All references to such Annual Spot Rate shall be expressed as a decimal. If the Discount Curve does not publish an Annual Spot Rate for the time period T divided by 12, expressed in years, then calculate and use the Interpolated Spot Rate. Use the Annual Spot Rate as published in the Discount Curve for the time period 30 years if the time period T divided by 12, expressed in years, is greater than 30 years.

2.02 Interpolated Spot Rate

TY = time period, expressed in years, equal to T divided by 12.

T1 = time period, expressed in years, corresponding to the nearest Annual Spot Rate published in the Discount Curve with a time period less than TY.

T2 = time period, expressed in years, corresponding to the nearest Annual Spot Rate published in the Discount Curve with a time period, expressed in years, greater than TY.

R1 = Annual Spot Rate at T1.

R2 = Annual Spot Rate at T2.

R1C = continuous spot rate at T1 = ln(1 + R1), where ln is natural logarithm.

R2C = continuous spot rate at T2 = ln(1 + R2).

PT1 = exp(-R1C * T1), where exp is exponential.

PT2 = exp(-R2C * T2).

F = ln(PT1 / PT2)/(T2 - T1).

PT = exp(-R1C * T1 – F * (TY - T1)).

STC = continuous spot rate for T = -ln(PT) / TY.

Interpolated Spot Rate for TY = exp(STC) – 1 and then rounded to the 8th decimal place. All references to such Interpolated Spot Rate shall be expressed as a decimal.

## SECTION 3 - DEPOSITS

3.01 Deposit Amounts

Pacific Life will accept Deposit Amounts to the Separate Account under this Contract according to the Schedule of Deposits. Such Deposit Amounts will be made only on a Transaction Date, unless agreed to otherwise by Pacific Life. Additional Deposit Amounts which are not listed on the Schedule of Deposits may be made only if agreed to in writing by Pacific Life at least [10]22 Business Days in advance of a Transaction Date. Deposits will be subject to an aggregate minimum payment of [$5,000,000]23 and an aggregate maximum payment of [$50,000,000]24 unless Pacific Life agrees in writing otherwise.

All cash Deposit Amounts accepted by Pacific Life under this Contract must be submitted via wire transfer and received by Pacific Life at its office in Newport Beach, California. If the Contractholder fails to remit 100% of the Deposit Amounts, whether in accordance with the preceding paragraph or as shown on the Schedule of Deposits, to Pacific Life, Pacific Life may terminate this Contract according to the termination provisions in Section 9.

Sections 3.01(A) and 3.01(B) are not applicable to Contracts with a Contract Value greater than zero as of the Contract Valuation Date immediately preceding the Transaction Date upon which the Deposit Amount is made. Section 5.02 is applicable in such circumstances.

A. Initial Deposit Amount

The Initial Deposit Amount will be equal to the Contract Value, as of the Contract Valuation Date corresponding to the calendar month of the Transaction Date upon which the Deposit Amount is made, using the Discount Curve as of the Contract Valuation Date corresponding to the calendar month that is one calendar month prior to the Transaction Date upon which the Deposit Amount is made.

B. True-Up Calculation

Once the Discount Curve, as of the Contract Valuation Date corresponding to the calendar month of the Transaction Date upon which the Initial Deposit Amount is made, is published, the Contract Value will be calculated with such Discount Curve to determine any additional Deposit Amounts that may be required.

If such Contract Value is greater than the Initial Deposit Amount, the Contractholder must make an additional Deposit Amount of this difference within [2]25 Business Days from the date of notification from Pacific Life of such difference. Pacific Life will provide such notification to the Contractholder within [1]26 Business Day of the date upon which the Discount Curve is published. If the additional Deposit Amount is not made within the prescribed time frame, Pacific Life may terminate this Contract according to the termination provisions of Section 9.

If such Contract Value is less than the Initial Deposit Amount, Pacific Life must pay the difference to the Contractholder within [2]25 Business Days from the date of notification of such difference. Pacific Life will provide such notification to the Contractholder within [1]26 Business Day of the date upon which the Discount Curve is published.

## SECTION 4 - SEPARATE ACCOUNT

4.01 Investments of the Separate Account

The Separate Account shall be invested predominantly in treasuries and investment grade securities but may also include asset backed securities, mortgage backed securities, private placement securities, bank notes, interest rate or credit derivatives, investment companies or other commingled funds, or other such securities and investments as Pacific Life deems appropriate considering the then current general economic conditions and investment opportunities and that are authorized pursuant to provisions of the Nebraska Insurance Code.

Pacific Life may, without the concurrence of the Contractholder, change the investment policy guidelines set forth in this Section 4.01 by giving **[**90**]27** days' prior written notice to the Contractholder.

4.02 Market Value of the Separate Account

As of any date, the Market Value of the Separate Account will be equal to the sum of (i) the aggregate of the prices at which the publicly traded assets held in the Separate Account are traded as of any Asset Valuation Date, or in the case of any asset for which no such price is available, a price that Pacific Life determines appropriately reflects its fair market value, plus (ii) any related cash or currency held in the Separate Account. The market value of any security listed on any national securities exchange shall be valued at the last quoted sale price on the Asset Valuation Date. Any other security or asset shall be valued by Pacific Life or any subadvisor retained by Pacific Life in such a manner as will reflect its fair market value.

4.03 In-Kind Payment

Pacific Life may make in-kind payments of securities to the Contractholder with assets in the Separate Account pursuant to Section 6.02 and the applicable termination provisions in Section 9. On the Business Day immediately preceding the date upon which such an in-kind payment is made, if the closing market value of the securities and other in-kind assets is less than the amount due under the Contract, then Pacific Life will make a payment in cash equal to the difference.

## SECTION 5 – NOTIONAL PAYMENTS

5.01 Modifications to Notional Payment Amounts

Any changes to the Notional Payment Amounts will be provided to the Contractholder in an amended Schedule of Notional Payments within [10]28 Business Days of the Contract Valuation Date that follows or is coincident with the Transaction Date upon which the actual amount paid was different than the scheduled Notional Payment Amount.

A. Actual payment amount less than the scheduled Notional Payment Amount

Pacific Life may, at any time, pay less than the scheduled Notional Payment Amount.

In the event the actual amount paid on any Transaction Date is less than the scheduled Notional Payment Amount, the Schedule of Notional Payments will be amended on a pro-rata basis in order to preserve Contract Value after adjustment for the difference in the actual amount paid relative to the scheduled Notional Payment Amount.

The ratio, used to calculate the revised Notional Payment Amounts, to be applied to each remaining scheduled Notional Payment Amount beyond the Transaction Date is the following:

(Contract Value + scheduled Notional Payment Amount - actual payment amount) / Contract Value.

The Contract Value for purposes of this Section 5.01(A) is the Contract Value as of the Contract Valuation Date corresponding to the calendar month of the Transaction Date upon which the cash flow amount paid is less than the scheduled Notional Payment Amount.

In the event the actual amount paid is less than the scheduled Notional Payment Amount on the Transaction Date that coincides with the last Notional Payment Date as specified in the Schedule of Notional Payments, the Contractholder may discontinue the Contract pursuant to Section 9.01 and receive Contract Value. The Contract Value for purposes of this paragraph of Section 5.01(A) is equal to the scheduled Notional Payment Amount respective of the last Notional Payment Date less the actual amount paid, if any, on the Transaction Date that coincides with the last Notional Payment Date.

B. Actual payment amount greater than the scheduled Notional Payment Amount

Any excess payment made must be agreed to in writing between Pacific Life and the Contractholder at least [10]22 Business Days in advance.

In the event the actual amount paid on any Transaction Date is greater than the scheduled Notional Payment Amount, the Schedule of Notional Payments will be amended on a pro-rata basis in order to preserve the Contract Value after adjustment for the difference in the actual amount paid relative to the scheduled Notional Payment Amount.

The ratio, used to calculate the revised Notional Payment Amounts, to be applied to each remaining scheduled Notional Payment Amount beyond the Transaction Date is the following:

(Contract Value + scheduled Notional Payment Amount - actual payment amount) / Contract Value.

The Contract Value for purposes of this Section 5.01(B) is the Contract Value as of the Contract Valuation Date corresponding to the calendar month of the Transaction Date upon which the cash flow amount paid is greater than the scheduled Notional Payment Amount.

5.02 Mutual Modifications to Schedule of Notional Payments

Pacific Life and the Contractholder may mutually agree in writing, at least **[**10**]28** Business Days prior to any Transaction Date, to amend either the Notional Payment Date or the Notional Payment Amount set forth on the Schedule of Notional Payments.

The Contract Value, as of the Contract Valuation Date corresponding to the calendar month of the Transaction Date upon which the amendment to the Schedule of Notional Payments is effective, using the Discount Curve, as of the Contract Valuation Date corresponding to the calendar month that is one calendar month prior to the Contract Valuation Date corresponding to the calendar month of the Transaction Date upon which the amendment to the Schedule of Notional Payments is effective, will be calculated using the Schedule of Notional Payments and the amended Schedule of Notional Payments.

Notional Amount One is equal to the Contract Value, using the amended Schedule of Notional Payments, less the Contract Value, using the Schedule of Notional Payments.

If Notional Amount One is greater than zero, the Contractholder must deposit Notional Amount One on the Transaction Date upon which the amendment to the Schedule of Notional Payments is effective.

If Notional Amount One is less than zero, Pacific Life must pay the Contractholder the absolute value of Notional Amount One in cash on the Transaction Date upon which the amendment to the Schedule of Notional Payments is effective.

Once the Discount Curve, as of the Contract Valuation Date corresponding to the calendar month of the Transaction Date upon which the amendment to the Schedule of Notional Payments is effective, is published, such Discount Curve will be used to calculate the Contract Value, as of the Contract Valuation Date corresponding to the calendar month of the Transaction Date upon which the amendment to the Schedule of Notional Payments is effective, using the Schedule of Notional Payments and the amended Schedule of Notional Payments.

Notional Amount Two is equal to the Contract Value, using the amended Schedule of Notional Payments, less the Contract Value, using the Schedule of Notional Payments.

Notional Amount Three is equal to Notional Amount Two less Notional Amount One.

If Notional Amount Three is greater than zero, the Contractholder must deposit Notional Amount Three within **[**2**]25** Business Days from the date of notification by Pacific Life of Notional Amount Three being due to Pacific Life. Pacific Life will provide such notification to the Contractholder within [1]26 Business Day of the date upon which the Discount Curve is published.

If Notional Amount Three is less than zero, Pacific Life must pay the Contractholder the absolute value of Notional Amount Three in cash within [2]25 Business Days from the date of notification by Pacific Life of Notional Amount Three being owed to the Contractholder. Pacific Life will provide such notification to the Contractholder within [1]26 Business Day of the date upon which the Discount Curve is published.

## SECTION 6 – REDEMPTIONS

6.01 Cash Redemption in Excess of Notional Payment Amount

On any Transaction Date subject to [10]22 Business Days advance written notification, the Contractholder may request to withdraw an amount in excess of the scheduled Notional Payment Amount, if any, subject to the Annual Cash Redemption Limit, less cumulative cash redemptions, pursuant to Section 6.01, in excess of Notional Payment Amounts during the immediately preceding 11 Transaction Dates.

For purposes of determining the cumulative cash redemptions in excess of Notional Payment Amounts withdrawn during the immediately preceding 11 Transaction Dates, when Notional Amount Three is less than zero on any date during the year prior to the Transaction Date in which the Contractholder requests to withdraw an amount in excess of the scheduled Notional Payment Amount, the absolute value of such Notional Amount Three will be included.

The calculation for the Annual Cash Redemption Limit is the following rounded to the 2$^{nd}$ decimal place:

5% * (Contract Value as of the Contract Valuation Date that is 12 calendar months prior to the Contract Valuation Date that corresponds to the calendar month of the Transaction Date upon which the cash redemption in excess of Notional Payment Amount occurs).

If no Contract Value exists 12 months prior to the Contract Valuation Date that corresponds to the calendar month of the Transaction Date upon which the cash redemption in excess of Notional Payment Amount occurs, then use the first Contract Value that was greater than zero.

Pacific Life has full discretion to accept or deny any request for cash redemption. If Pacific Life accepts the request, the Notional Payment Amounts as reflected in the Schedule of Notional Payments, will be amended to reflect such cash redemption in excess of Notional Payment Amount.

The ratio, used to calculate the revised Notional Payment Amounts, to be applied to each remaining scheduled Notional Payment Amount beyond the Transaction Date upon which the cash redemption in excess of Notional Payment Amount occurs is the following:

(Contract Value – cash redemption in excess of Notional Payment Amount) / Contract Value.

The Contract Value for purposes of this Section 6.01 is the Contract Value as of the Contract Valuation Date that corresponds to the calendar month of the Transaction Date upon which the cash redemption in excess of Notional Payment Amount occurs.

Any changes to the Schedule of Notional Payments will be provided to the Contractholder in an amended Schedule of Notional Payments within [10]28 Business Days of the Contract Valuation Date that follows or is coincident with the Transaction Date upon which the cash redemption in excess of Notional Payment Amount occurs.

6.02 Partial Redemption of Contract Value

The Contractholder may request, with at least [1 year]29 written notification prior to any Transaction Date, to redeem a portion of the Contract Value, as of the Contract Valuation Date corresponding to the calendar month of the Transaction Date upon which such redemption occurs, in excess of the Annual Cash Redemption Limit. Pacific Life has sole and absolute discretion to accept or deny such request.

If Pacific Life accepts the request, the Schedule of Notional Payments will be amended. The ratio, used to calculate the revised Notional Payment Amounts, will be applied to each remaining scheduled Notional Payment Amount beyond the Transaction Date upon which such redemption of Contract Value in excess of the Annual Cash Redemption Limit occurs, is the following:

(Contract Value – redemption of Contract Value in excess of the Annual Cash Redemption Limit) / Contract Value.

Pacific Life has sole and absolute discretion to determine whether such redemption of Contract Value in excess of the Annual Cash Redemption Limit will be made in cash or In-Kind Payment, pursuant to Section 4.03.

Any changes to the Schedule of Notional Payments will be provided to the Contractholder in an amended Schedule of Notional Payments within [10]28 Business Days of the Contract Valuation Date that follows or is coincident with the Transaction Date upon which such redemption of Contract Value in excess of the Annual Cash Redemption Limit occurs.

## SECTION 7 – ANNUITY PROVISIONS

7.01 Annuity Purchase

The Contractholder may elect to apply all or a portion of the Contract Value towards the purchase of Pacific Life annuities under this or another group annuity contract for Plan participants on the Annuitization Date at any time by giving at least [2]30 months advance written notification to Pacific Life. The effective date of such annuitization will be the Contract Valuation Date specified by the Contractholder in the written notification and must occur after the expiration of the [2]30 months notification period.

The Contract Value, for purposes of this Section 7.01, is as of the Contract Valuation Date specified by the Contractholder as the effective date of annuitization.

The Annuitization Date is the date that is [3]21 Business Days following the publication of the Discount Curve respective to the Contract Valuation Date specified by the Contractholder to be the effective date of such annuitization of the Contract.

As a result, the Notional Payment Amounts as reflected in the Schedule of Notional Payments will be amended to reflect this redemption.

The ratio, used to calculate the revised Notional Payment Amounts, to be applied to each scheduled Notional Payment Amount beyond the Annuitization Date is the following:

(Contract Value – redemption for annuity purchase) / Contract Value.

The Contractholder is obligated to provide Pacific Life with all information necessary to issue the group annuity contract and underwrite the annuity purchase.

The annuity purchase rate will be in accordance with Sections 7.02 and 7.03. The Contractholder may elect any form of fixed dollar annuity that Pacific Life is making available to its group annuity Contractholders at the time the Contractholder elects to purchase an annuity.

Any changes to the Schedule of Notional Payments will be provided to the Contractholder in an amended Schedule of Notional Payments within [10]22 Business Days of the Annuitization Date.

7.02 Annuity Premiums

The premium for each annuity shall not exceed the premium based on the mortality table described in Section 7.03 below, with a [5 year age setback for males and females, assuming an interest rate of 1%]31, without any loading for expense in such rates.

Pacific Life may, at any time on or after [January 1, 2011]32, upon not less than [30]33 days written notice to the Contractholder prior to the effective date of any modification, increase the premium for any annuity purchased after the effective date of such modification. However, no such modification shall increase the premium rates for annuities for which the premiums are derived from Deposit Amounts accepted by Pacific Life under this Contract prior to the effective date of such modification, nor shall any such modification affect the amount or terms of any annuity purchased prior to the effective date of such modification. Pacific Life may not increase the premium rates for annuities more often than once in any [1]34 year period. For purposes of this paragraph only, Deposit Amounts accepted by Pacific Life under this Contract shall be deemed to be withdrawn in the same order as received, that is, on a first-in first-out basis.

7.03 Description of Mortality Tables

The mortality table is based on mortality rates in accordance with the **[**base mortality table as prescribed under Internal Revenue Code 430(h)(3)(A)**]35** in effect as of the Annuitization Date **[**and generational mortality improvements using Mortality Projection Scale AA**]36**.

7.04 Adjustment of Annuity by Pacific Life

If Pacific Life determines that the date of birth of an annuitant, contingent annuitant or beneficiary has been incorrectly stated, the annuity shall be adjusted to the amount that would have been payable on the basis of the true facts. Any adjustment shall be determined by Pacific Life and shall give effect to the amount of annuity payments and any other benefits paid prior to the date such adjustment is made. Any underpayments will be paid in a single sum, without interest, as soon as practical after such underpayments are discovered. Any overpayments will be deducted, without interest, from succeeding annuity payments until such overpayments have been recovered.

7.05 Certificates

Pacific Life shall issue to the Contractholder for delivery to each person for whom an annuity is provided pursuant to this Contract a certificate summarizing the principal provisions of such annuity. The certificate is not a contract between Pacific Life and the annuitant; it is merely a summary of the benefits payable to the annuitant under this Contract. In the event that the certificate does not accurately state the benefits to which the annuitant is entitled and the provisions applicable thereto, the provisions of this Contract shall govern such benefits.

## SECTION 8 – DELAY OR DISCONTINUANCE OF PUBLICATION OF DISCOUNT CURVE

8.01 Delay in Publication of Discount Curve

If the Discount Curve for a given Contract Valuation Date is not published by the **[**5th**]37** Business Day of the calendar month that immediately follows the calendar month of such Contract Valuation Date, a successor curve will be chosen as mutually agreed upon following good faith negotiation between the Contractholder and Pacific Life.

If such mutual agreement is not achieved by the **[**15th**]38** Business Day of such calendar month, Pacific Life reserves the right to calculate the Contract Value based upon the most recently published Discount Curve and adjusting each Annual Spot Rate of such Discount Curve by the change in the **[**Barclays U.S. Long Government/Credit Yield to Worst**]39** from the date the Discount Curve was most recently published to the date **[**10**]40** Business Days prior to the date in which the Contract Value is required to be calculated under this Contract pursuant to the applicable section. If the **[**Barclays U.S. Long Government/Credit Yield to Worst**]39** is no longer published as of the date the Discount Curve was most recently published, Pacific Life will select a reasonable replacement for it to perform such adjustment.

8.02 Discontinuance of Discount Curve

If the Discount Curve for a given Contract Valuation Date is not published by the **[**15th**]38** Business Day of the calendar month that immediately follows the calendar month of such Contract Valuation Date, and a successor curve cannot be mutually agreed upon, then Section 9.02 applies.

## SECTION 9 – CONTRACT DISCONTINUANCE

9.01 Discontinuance by Contractholder

The Contractholder may elect to discontinue the Contract at any time by giving at least [1]41 year advance written notification to Pacific Life. The effective date of discontinuance will be the Contract Valuation Date specified by the Contractholder in the written notification and must occur after the expiration of the [1]41 year notification period. Pacific Life will pay the Contract Value to the Contractholder on the Termination Date. Pacific Life has sole and absolute discretion to determine whether such Contract Value paid on the Termination Date will be made in cash or In-Kind payment, pursuant to Section 4.03.

In the event the actual amount paid is less than the scheduled Notional Payment Amount on the Transaction Date that coincides with the last Notional Payment Date as specified in the Schedule of Notional Payments, the Contractholder may discontinue the Contract and receive Contract Value. The effective date of discontinuance will be the date specified by the Contractholder in the written notification, subject to at least [1]42 Business Day advance notification. Pacific Life will pay the Contract Value to the Contractholder [3]43 Business Days following such effective date of discontinuance. The Contract Value for purposes of this paragraph of Section 9.01 is equal to the scheduled Notional Payment Amount respective of the last Notional Payment Date less the actual amount paid, if any, on the Transaction Date that coincides with the last Notional Payment Date. Contract Value will be paid in cash for a discontinuance pursuant to this paragraph of Section 9.01.

Payment of the Contract Value will end this Contract and Pacific Life will have no further obligations under this Contract.

9.02 Discontinuance of Discount Curve

If the Discount Curve for a given Contract Valuation Date is not published by the [15th]38 Business Day of the calendar month that immediately follows the calendar month of such Contract Valuation Date, and a successor curve cannot be mutually agreed upon, then either Pacific Life or the Contractholder may elect to discontinue this Contract by providing the other party with at least [2]44 months' advance written notification.

The effective date of discontinuance will be the Contract Valuation Date specified by either Pacific Life or the Contractholder in the written notification and must occur after the expiration of the [2]44 months notification period. Pacific Life will pay the Contract Value in cash to the Contractholder on the Termination Date. Payment of the Contract Value will end this Contract and Pacific Life will have no further obligations under this Contract.

For purposes of this Section 9.02, the Contract Value is as of the Contract Valuation Date specified by either Pacific Life or the Contractholder as the effective date of discontinuance and uses the most recently published Discount Curve and adjusting each Annual Spot Rate of such Discount Curve by the change in the [Barclays U.S. Long Government/Credit Yield to Worst]39 from the date the Discount Curve was most recently published to the date [10]40 Business Days prior to such Contract Valuation Date. If the [Barclays U.S. Long Government/Credit Yield to Worst]39 is no longer published as of the date the Discount Curve was most recently published, Pacific Life will select a reasonable replacement for it to perform such adjustment.

9.03 Discontinuance by Pacific Life

Pacific Life may elect to discontinue this Contract according to the following:

A. For any reason, by giving at least [1 year]41 advance written notification to the Contractholder. The effective date of discontinuance will be the Contract Valuation Date specified by Pacific Life in the written notification and must occur after the expiration of the [1 year]41 notification period. Pacific Life will pay the Contractholder the Contract Value on the Termination Date.

B. If the Contract Value is less than [$500,000]45 on any Contract Valuation Date.

C. If the Plan is discontinued or terminated, or as of the date the Plan no longer meets the requirements for qualification under Section 401(a) of the Internal Revenue Code or the requirement for deduction of the plan sponsor's contribution under Section 404(a) of the Internal Revenue Code; or if applicable, under Section 414(d), if the Plan is a "governmental plan" as defined in that Section, or under Section 457(b) or 403(b), if the Plan is an "eligible deferred compensation plan" as defined in that Section of the Code, as those Sections may be amended from time to time.

D. If the Plan is amended, and Pacific Life determines that such amendment materially alters the rights, duties, obligations or liabilities of Pacific Life under this Contract.

E. If any expenses incurred under this Contract remain unpaid by the Contractholder for [45]46 days from the date of invoice pursuant to Section 10.08.

F. If the Contractholder fails to comply with, or to perform, any material obligation (other than a payment obligation) under this Contract.

G. If any representation made by the Contractholder under this Contract is or becomes untrue in any material respect, and remains untrue.

For Sections 9.03(B) through (G). above, Pacific Life will give at least [10]22 Business Days advance written notification of discontinuance to the Contractholder. The effective date of discontinuance will be the Contract Valuation Date specified in the written notification. Pacific Life will pay the Contractholder the Contract Value on the Termination Date.

Pacific Life has sole and absolute discretion to determine whether such Contract Value paid on the Termination Date will be made in cash or In-Kind Payment, pursuant to Section 4.03, for Sections 9.03(C) through (G). Contract Value will be paid in cash for a discontinuance pursuant to Sections 9.03(A) and/or 9.03(B).

Payment of the Contract Value by Pacific Life to the Contractholder will end this Contract and Pacific Life will have no further obligations under this Contract.

9.04 Effect of Notice of Discontinuance

Upon written notice of discontinuance, the Contractholder may not make any withdrawals under this Contract, beyond the Schedule of Notional Payments, nor may Pacific Life change the Expense Charge.

## SECTION 10 - GENERAL PROVISIONS

10.01 Entire Contract

The Contract, Specifications Page, Schedule of Deposits, Schedule of Notional Payments and application constitute the entire contract. Statements made in the application shall, in the absence of fraud, be deemed representations and not warranties. No statement shall void this Contract unless it is contained in the application, signed by the Contractholder, a copy of which is attached to this Contract when issued.

10.02 Assignment

No assignment of this Contract may be made by either the Contractholder or Pacific Life.

10.03 Notice Required

Any notice, directive, certificate, Plan amendment or other writing required by the provisions of this Contract to be delivered to Pacific Life shall be delivered in writing by prepaid first class mail to its office at [P.O. Box 9000, Newport Beach, California 92658-9030]**47.** Any notice, certificate or other writing required by the provisions of this Contract to be delivered to the Contractholder shall be delivered in writing by prepaid first class mail to the Contractholder at its principal place of business.

10.04 Authority to Bind Pacific Life

No broker, producer, agent or other third party has the authority to change this Contract or to waive any of its provisions. No change, modification, or addition to this Contract shall be valid unless evidenced by written endorsement hereon or written amendment hereto signed by the President and Secretary of Pacific Life.

10.05 Limitations on Transfers

Pacific Life shall have the right to defer making any transfer pursuant to this Contract during any period when regular banking activities have been suspended, securities exchanges are closed or there is restricted trading on any stock exchange with respect to any investments to be liquidated, or when any emergency or other circumstances beyond the control of Pacific Life interfere with the orderly disposal and liquidation of securities, including the sale or delivery thereof or receipt of payment by Pacific Life.

10.06 Amendment and Modification

This Contract may be amended or modified by written agreement between the Contractholder and Pacific Life without the consent of any other person.

10.07 Non-Waiver of Provisions

Failure by Pacific Life to enforce any provision of this Contract shall not affect Pacific Life's right thereafter to enforce such provision, nor shall such failure stop it from exercising its right to enforce any provision of this Contract.

10.08 Expense Charge

The Expense Charge as stated on the Specifications Page will be calculated on the Contract Valuation Date that falls at the end of each calendar quarter. Pacific Life will calculate the Expense Charge amount and send an invoice to the Contractholder within **[**5**]48** Business Days of the end of each calendar quarter. The Contractholder must provide payment of the Expense Charge amount within **[**45**]46** days of the end of each calendar quarter.

Expense Charges will be paid separately by the Contractholder and will not be deducted from the Contract Value.

For each complete or partial calendar quarter that the Contract is in force, the Expense Charge amount shall equal the following calculation rounded to the 2nd decimal place:

$\sum_{T=1}^{3}$ Contract Value$_T$ * monthly Expense Charge as stated on the Specifications Page$_T$

T is a range of counting numbers from 1 to 3 where 3 represents the Contract Valuation Date that falls at the end of the given calendar quarter, 2 represents the Contract Valuation Date that falls one calendar month prior to the Contract Valuation Date corresponding to T = 3 and 1 represents the Contract Valuation Date that falls two calendar months prior to the Contract Valuation Date corresponding to T = 3.

For purposes of this Section 10.08, Contract Value will exclude Deposit Amounts and Notional Amount One when greater than zero, and include payments, pursuant to the Schedule of Notional Payments, Section 5.01, Section 5.02, Section 6.01, Section 6.02 and the absolute value of Notional Amount One when Notional Amount One is less than zero, that occurred on the Transaction Date that coincides or immediately precedes the respective Contract Valuation Date corresponding to such Contract Value.

Any change to the Expense Charge stated on the Specifications Page may only be made after giving at least **[**90**]49** days advance written notice to the Contractholder.

Any change to the Maximum Annual Expense Charge stated on the Specifications Page may only be made after giving at least **[**1 year**]50** advance written notice to the Contractholder.

10.09 Statement of Financial Activities

Pacific Life shall furnish a statement to the Contractholder on a calendar monthly basis which provides the Contract Value as of the beginning and end of the statement period and a summary of all transactions that occurred within the statement period.

**APPLICATION**

**G-[12345]**

Application is hereby made to Pacific Life Insurance Company by [Trustees of ABC Company Defined Benefit Plan], whose Main Office Address is [123 Main Street, Omaha, Nebraska 44242], for Group Annuity Contract No. G-[12345], which is attached to this Application. The terms of the attached Contract are approved and its terms accepted.

This Application is executed in duplicate, one counterpart being retained by applicant and the other returned to Pacific Life Insurance Company.

It is agreed that this Application supersedes any previous application for the Contract.

[Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.]

Dated this ______________________ day of _______________20___,

At_________________________________________

[TRUSTEES OF ABC COMPANY DEFINED BENEFIT PLAN]________________

(Full or Corporate Name of Applicant)

By:___________________________________________________________________

Signature and Title

# Supporting Document Schedules

**Item Status:** **Status Date:**

**Satisfied - Item:** Application

**Comments:**

The Arkansas Insurance Department approved the Application form GR-8277 on December 18, 1984.

**Attachment:**

GROUP ANNUITY CONTRACT APPLICATION.pdf

**Item Status:** **Status Date:**

**Satisfied - Item:** Schedule of Variability for Insured LDI 80-1188

**Comments:**

**Attachment:**

80-1188 SOV Insured LDI.pdf

**Item Status:** **Status Date:**

**Satisfied - Item:** Plan of Operations for Insured LDI 80-1188

**Comments:**

**Attachment:**

80-1188 Insured LDI Plan of Operations.pdf

**APPLICATION**

**G-***

Application is hereby made to Pacific Life Insurance Company by *, whose Main Office Address is *, for Group Annuity Contract No. G-* , which is attached to this Application.  The terms of the attached Contract are approved and its terms accepted.

This Application is executed in duplicate, one counterpart being retained by applicant and the other returned to Pacific Life Insurance Company.

It is agreed that this Application supersedes any previous application for the Contract.

Dated this ____________________ day of ___________________ 20 ____,

at ____________________________________________________________

*

(Full or Corporate Name of Applicant)

*By: ____________________________________________________________

Signature and Title

*By: ____________________________________________________________

By: ____________________________________________________________

By: ____________________________________________________________

*Countersigned ________________________________________________

(To be signed by Resident Agent where required by law)

**SCHEDULE OF VARIABLE MATERIALS**

**FORM NUMBER: 80-1188**

**FORM DESCRIPTION: Insured LDI – Group Annuity Contract**

The numbers below refer to the corresponding numbers next to the bracketed item of the Form. Material between the brackets is variable to the extent stated. The actual time periods inside the brackets (when applicable) represents the standard.

1. Insert contract number.
2. Insert contractholder name.
3. Insert state of issue.
4. Insert contract execution date.
5. Insert contract effective date.
6. Insert signature of President and Secretary of Pacific Life. The signature of the current President and Secretary of Pacific Life will appear on the Face Page of all contracts. Marked as variable to accommodate changes to President and/or Secretary name/signatures.
7. Insert edition number, found on the bottom of all pages.
8. Insert Table of Contents, with page numbers for each sub-section item. This section is marked as variable to allow page numbers to vary and the Section titles will not change.
9. Insert name of Discount Curve used to determine Contract Value.
10. Insert Expense Charge annual percentage; will range from 0.75% to 3.00%.
11. Insert Expense Charge monthly percentage; will be 1/12 of annual percentage.
12. Insert Maximum Annual Expense Charge as annual percentage; will range from 0.75% to 3.00%.
13. Insert signature block for Pacific Life and Contractholder for future modifications to Schedules. The Schedules will not have signature blocks when the Application is signed; but subsequent modifications to the Schedules will be signed by representatives of Pacific Life and the Contractholder.
14. Insert deposit dates.
15. Insert deposit amounts.
16. Insert Notional Payment Dates.
17. Insert Notional Payment Amounts.
18. Insert publication details of Discount Curve defined in variable 9.
19. Insert Contractholder’s plan name.
20. Insert Separate Account number.

**SCHEDULE OF VARIABLE MATERIALS**

**FORM NUMBER: 80-1188**

**FORM DESCRIPTION: Insured LDI – Group Annuity Contract**

21. Insert number of Pacific Life Business Days following the publication of the Discount Curve as specified in the definition of "Termination Date" in Section 1.24 or "Annuitization Date" as described in Section 7.01; it may range from 2 to 10 Business Days.
22. Insert number of Business Days of advance notice that is required for the action described in the sentence; it will range from 2 days to 20 days.
23. Insert minimum deposit amount; it will range from $1,000,000 to $25,000,000.
24. Insert maximum deposit amount; it will range from $10,000,000 to $250,000,000; or approximately 10% of the aggregate value of the Separate Account.
25. Insert number of Business Days following the date of notification within which the specified action must occur, as stated in Sections 3.01B and 5.02 of the contract. It will not be less than 1 day or more than 10 days.
26. Insert notice period Pacific Life will provide to the Contractholder of the true-up calculation in Sections 3.01.B and 5.02 of the contract; it will not be less than 1 day or greater than 4 days.
27. Insert notice period Pacific Life will provide to the Contractholder upon a change in investment policy guidelines; it will not be less than 30 days or greater than 180 days.
28. Insert notice period Pacific Life will provide to the Contractholder, or the notice period Pacific Life and the Contractholder will agree on, upon the occurrence of a change in the Schedule of Notional Payments as described in Sections 5.01, 5.02, 6.01, 6.02 and 7.01; it will not be less than 2 days or more than 30 days.
29. Insert advance notice required of Contractholder to notify Pacific Life of a Partial Redemption of Contract Value as described in Section 6.02; the range will be from 6 months to 18 months.
30. Insert advance notice required of Contractholder to notify Pacific Life of election to purchase annuities as described in Section 7.01; may range from 1 month to 6 months.
31. Insert the age setback and interest rate applicable to calculating the premium for any annuity purchases. Section 7.02 is marked as variable to accommodate changes to the set-back period, and interest rate assumptions.
32. Insert annual date upon which Pacific Life may increase the premium for annuity purchases.
33. Insert notice period to provide to Contractholder upon change in premium for an annuity purchase; will range from 15 days to 45 days.
34. Insert time period in which Pacific Life will not increase premium rates; the range will be 1 -3 years.

**SCHEDULE OF VARIABLE MATERIALS**

**FORM NUMBER: 80-1188**

**FORM DESCRIPTION: Insured LDI – Group Annuity Contract**

35. Insert the mortality table that will be used in calculating the premium for any annuity purchases. It is marked as variable to allow for future updates as may be deemed advisable.
36. Insert Mortality Projection Scale that is appropriate for the mortality table. It is marked as variable to allow for future updates as may be deemed advisable.
37. Insert Business Day of the month, expressed as an ordinal, e.g. '3rd', '4th', etc. The range will be the 2nd through 10th Business Day.
38. Insert Business Day of the month, expressed as an ordinal, e.g. '3rd', '4th', etc. The range will be the 10th through 20th Business Day. .
39. Insert name of index that would be used in the event of the unavailability of the standard Discount Curve that is described in variable 9.
40. Insert number of Business Days that would be prior to the date that the Contract Value would be required to be calculated using the index described in variable 39. The range is 2 to 20 Business Days.
41. Insert time period of advance written notice required for the Contractholder to notify Pacific Life in the event of an election of discontinuance as described in Section 9.01 or Section 9.03. The range is 6 months to 24 months.
42. Insert advance notification required for the Contractholder to inform Pacific Life of a discontinuance in the event of a payment from the scheduled Notional Payment Amount that is less than the scheduled amount; as described in Section 9.01, 2nd paragraph. The range is 1 -5 Business Days.
43. Insert number of Business Days within which Pacific Life will pay the Contract Value to the Contractholder as described in Section 9.01; it will range from 2 to 6 Business Days.
44. Insert advance notification period required of Pacific Life or the Contractholder in the event of a discontinuance as described in Section 9.02; it will range from 1 month to 6 months.
45. Insert minimum Contract Value; will range from $250,000 to $1,000,000.
46. Insert number of days a Contractholder has to pay the Expense Charge before Pacific Life automatically terminates the contract; will range from 30 days to 180 days.
47. Insert office address of Pacific Life.
48. Insert number of days following the beginning of each calendar quarter within which Pacific Life will send the Expense Charge invoice to the Contractholder; it will range from 2 days to 10 days.

**SCHEDULE OF VARIABLE MATERIALS**

**FORM NUMBER:** **80-1188**

**FORM DESCRIPTION:** **Insured LDI – Group Annuity Contract**

49. Insert notice period Pacific Life will provide the Contractholder in the event of a change to the Expense Charge; it will range from 30 days to 150 days.
50. Insert notice period Pacific Life will provide the Contractholder in the event of a change to the percentage expressed in variable 12; it will range from 180 days to 1 year.

Pacific Life Insurance Company
Separate Account Group Annuity Contract Form 80-1188
Plan of Operations

Introduction

The following is the Plan of Operations for a Pacific Life separate account group annuity contract (the "Contract"), Form number 80-1188. This Plan of Operations adheres to the requirements of paragraph 27 of Appendix A-200, *Separate Accounts Funding Guaranteed Minimum Benefits Under Group Contracts* within the Codification of Statutory Accounting Principles. The letters used in the outline below coincide to the letters used in paragraph 27 of Appendix A-200. Capitalized terms used herein are defined in the Contract.

**a.)** Pacific Life Insurance Company ("Pacific Life") has developed a commingled guaranteed separate account product that it intends to market to defined benefit pension plans as an alternative to best efforts Liability Driven Investing (LDI) investment strategies. The investment product is called an Insured Liability Driven Investing ("ILDI") group annuity contract. The Contract meets the definition of an index type contract.

The recent market environment (e.g., volatility of discount rates and asset valuations) and regulatory changes (e.g., the Pension Protection Act of 2006 and FASB Statement No. 158) have caused many defined benefit pension plans to pursue Liability Driven Investing (LDI) strategies. Under a typical LDI strategy, the pension plan will apply a best efforts approach to managing its plan assets to match the cash flows associated with its benefit obligations.

The Contract provides a way for the pension plan to obtain a better asset-liability match from both an economic perspective (i.e., the cash flows associated with the Contract will match the cash flows of the plan's benefit obligation) and from an accounting perspective (i.e., the valuation of the asset and the related benefit obligation will move together in response to changes in discount rates, resulting in reduced balance sheet and P&L volatility).

At Contract initiation, the plan sponsor, i.e. Contractholder, will provide Pacific Life with a schedule of cash flows, i.e. Schedule of Notional Payments, which represent the projected cash flow obligations of the pension plan and an amount of cash equal to the present value, i.e. Contract Value, of those scheduled cash flows discounted using the published Citigroup Pension Discount Curve ("CPDC" or "Discount Curve"). The CPDC is the interest rate series on which Contract benefits are based. Many defined benefit pension plans discount the cash flows that make up the Projected Benefit Obligation, pursuant to Statement of Financial Accounting Standard Numbers 87 and 158, using the CPDC.

The CPDC is updated and published as of the end of each month, and is based on the US Treasury curve and an option-adjusted spread curve of AA-rated corporate bonds from the Broad Investment Grade (BIG) Bond Index. In general, as long as the corporate bond is rated either AA+, AA, or AA- by Standard & Poor's or Aa1, Aa2, or Aa3 by Moody's, the bond is used in the derivation of the CPDC. If the corporate bond credit quality falls below this minimum credit constraint, the bond is no longer used in the derivation of the CPDC. Since Contract Value is derived using the CPDC, which in turn is based on the US Treasury curve and option-adjusted spread curve of AA-rated corporate bonds, it is reasonable to derive that Contract Value is determined on a market value basis.

Contract Value will be determined as of the end of each month, coinciding with the effective date of the published Discount Curve. Contract Value will be equal to the aggregate present value of remaining cash flows as indicated in the Schedule of Notional Payments, discounted using the current CPDC. For valuation purposes, deposit and withdrawal transaction dates will generally occur on the last business day of a month.

Pacific Life will invest the cash received from the Contractholder in a commingled guaranteed separate account, guarantee the Contract Value regardless of the performance of the separate account assets, and on a best efforts basis pay the scheduled cash flows to the pension plan. Pacific Life fully intends to pay the Contractholder according to the Schedule of Notional Payments. However, Pacific Life does not guarantee such payment at such time or in such amount, and does not provide a fixed interest rate or principal guarantee. To the extent Pacific Life does not make a payment according to the Schedule of Notional Payments, remaining payments will be adjusted on a pro-rata basis, unless mutually agreed upon otherwise, in order to preserve the Contract Value.

The plan sponsor has options, along with required notification periods, under the Contract to transact with Pacific Life at Contract Value to redeem all or a portion thereof the Contract beyond the scheduled cash flows for Pacific Life annuities or cash. Either Pacific Life or the plan sponsor may elect to fully terminate the Contract with compliance to the Contract's required notification period.

Pacific Life will charge a quarterly fee calculated as a percentage of the Contract Value to cover expense, risk and profit. The fee is invoiced at the end of each calendar quarter based on the average Contract Value over the calendar quarter. The fee is not paid out of the separate account assets, but instead will be an independent transaction paid to the general account. Any change to the fee percentage may only be made after giving at least 90 days advance written notice to the Contractholder. A maximum fee percentage is stipulated and may also be changed after giving at least 1 year advance written notice to the Contractholder.

The Contract will be sold only to ERISA-qualified defined benefit employee benefit plans that meet the requirements for qualification under Section 401(a) of the Internal Revenue Code, or governmental plans as defined in Section 414(d) or 403(b), or 457 of such Code, as those Sections may be amended from time to time.

The Contract will be funded in a Pacific Life separate account. To the extent permitted by Nebraska law, assets allocated to the separate account will not be chargeable with liabilities arising out of any other business Pacific Life may conduct. The Contract is non-participating.

**b.)** The investment objective of the Portfolio, i.e. the separate account and the separately identified sub-segment of the general account, if any, will be to achieve a return that meets the performance of the total Contract Value of all Contracts, net of the return loss due to credit migration over the period. Given a corporate bond that falls below the minimum credit constraint (see **a.)**), the bond is no longer used in the derivation of the CPDC. The CPDC will thus maintain a AA average credit rating and not realize this credit downgrade loss whereas the Portfolio would realize this credit downgrade loss if the same corporate bond was held in the Portfolio. This credit downgrade risk is the primary risk of the Contract as Pacific Life will guarantee Contract Value which is derived using the CPDC. However, the investment objective does not attempt to earn investment return to cover this credit downgrade risk premium. Instead, this credit downgrade risk is viewed as a long term cost that is incorporated into the annual fee assessed to the Contractholder.

The Portfolio shall consist of a well diversified portfolio of treasuries and investment grade bonds. Investments may include marketable bonds, asset-backed securities, mortgage-backed securities, private placement securities, bank notes, interest rate or credit derivatives (including but not limited to futures, options, interest rate swaps, total return swaps, credit default swaps, and currency swaps), investment companies or other commingled funds, or other such securities and investments as Pacific Life deems appropriate considering the then current general economic conditions and investment opportunities and are authorized pursuant to provisions of the Nebraska Insurance Code. Stringent concentration limits are in place for several investment categories including U.S. corporate noncallable bonds in NAIC Category 2, securities not rated by Moody’s or S&P, issuer, individual issue, mortgages, mortgage-backed securities, asset-backed securities, convertible bonds, foreign securities, private placement securities, bank notes and derivatives instruments.

The minimum average credit rating of the Portfolio will be targeted to be at least "A-", or "A3", or any such equivalent investment grade rating as used by a Nationally Recognized Statistical Rating Organization (“NRSRO”). At the time of purchase, all money market instruments will be rated at least "A1", or "P1" or any such equivalent rating as used by a NRSRO.

The duration of the Portfolio supporting all Contracts will be measured on an option-adjusted basis commonly referred to as effective duration. The guideline for duration of the Portfolio will be to be within one year of the duration of the aggregate Contract Value of all Contracts. Hedging instruments may be used if necessary to manage the duration of the Portfolio. The Portfolio will be evaluated in a manner that takes into account the impact of all hedging instruments for the purpose of determining compliance with this guideline.

Investment Philosophy

In the management of the Portfolio, there are two major types of risk - credit risk and interest rate risk.

Managing credit risk requires a thorough understanding of the underlying corporate bonds that derive the CPDC. Understanding the differences in the credit risk exposure between these underlying bonds and the Portfolio will be important in determining the adequate risk component of the Contract fee. A high degree of issuer diversification will be utilized to minimize credit event risk.

Managing interest rate risk requires a thorough understanding of the interest rate sensitivity of the aggregate Contract Value for all Contracts based on changes in the CPDC. This understanding will drive the investment strategy for the Portfolio to have similar yield curve risk sensitivity.

Investments will be made to facilitate the achievement of Pacific Life’s overall business objectives and to maintain its recognized position as an enduring financially strong organization. Portfolio management operations will be conducted in a manner to maintain the Company’s existing reputation for integrity and ethical behavior. Pacific Life has offered guaranteed index products for more than 20 years and in doing so, has successfully utilized proven investment strategies to achieve such objectives.

Strategy Implementation

The ability of the assets to support the guarantee made to the Contractholder will be driven by the interest rate risk and credit risk differences between the Portfolio and the aggregate Contract Value for all Contracts. In addition, given Pacific Life will manage the assets to pay the scheduled cash flows of the Contract on a best efforts basis, the assets will require a high amount of liquidity and certainty of cash flows. Liquidity and certainty of cash flows will be more easily obtained via a high investment grade Portfolio. Pacific Life will also manage the Portfolio by taking into account the internal rate of return of the Contract Value. Pacific Life will on an ongoing basis monitor and adjust the overall fee assessed to the Contractholder to ensure the risk, expense and profit objectives are met for this Contract.

Pacific Life believes that asset quality and diversification are essential for meeting the Contract's guarantees and as such, credit risk and investment concentration will be carefully managed. All investment purchases will be 1) carefully reviewed and rated by the investment manager's analysts and 2) will be closely monitored for developments that may impact their performance since the assets will be actively managed, i.e. to manage the interest rate risk, credit risk and liquidity concerns. Any deteriorating investments will be reviewed and the security will be sold and replaced with higher quality investments, if deemed appropriate.

**c.)** For financial reporting purposes, all publicly traded assets will be reported at market value, and any assets that are not publicly traded will be valued in accordance with the NAIC Valuation of Securities Manual (the "Manual"). Assets not listed in the Manual, or obligations listed with no value, will be determined at an acceptable value that can be justified to the appropriate regulatory agency. This is the same methodology used for similar assets held in the general account.

**d.)** The guaranteed contract liability, i.e. Contract Value, will be determined as of the end of each month by discounting the Contract's remaining schedule of cash flows, as set in the Schedule of Notional Payments, using the respective CPDC, published as of the end of each month.

An example follows:

Transaction Date (defined as the last business day of the calendar month): 4/30/10
Contract Valuation Date (defined as the last day of the calendar month): 4/30/10
Contract Value as of Transaction Date (Sum of column (E)): $50,000,000
Where CPDC Present Value (E) = B * [(1 + D/100) ^ (-C)]

| (A) Scheduled Cash Flow Date (Month End) | (B) Scheduled Cash Flow Amount | (C) Time in Years from Contract Valuation Date | (D) 4/30/10 CPDC Annual Spot Rates | (E) CPDC Present Value |
|---|---|---|---|---|
| Oct-2010 | $ 1,416,574 | 0.5 | 0.797546 | $ 1,410,958.65 |
| Oct-2011 | $ 1,890,708 | 1.5 | 1.325324 | $ 1,853,734.19 |
| Oct-2012 | $ 2,268,614 | 2.5 | 1.830142 | $ 2,168,052.20 |
| Oct-2013 | $ 2,659,469 | 3.5 | 2.498687 | $ 2,439,387.95 |
| Oct-2014 | $ 3,013,206 | 4.5 | 3.060272 | $ 2,630,983.01 |
| Oct-2015 | $ 3,317,182 | 5.5 | 3.589683 | $ 2,732,300.92 |
| ... | ... | ... | ... | ... |
| Oct-2037 | $ 2,341,474 | 27.5 | 6.229283 | $ 444,398.37 |
| Oct-2038 | $ 2,154,723 | 28.5 | 6.262033 | $ 381,605.84 |
| Oct-2039 | $ 1,972,135 | 29.5 | 6.300635 | $ 325,183.73 |
| Oct-2040 | $ 1,793,545 | 30.5 | 6.320811 | $ 276,601.62 |
| ... | ... | ... | ... | ... |
| Oct-2085 | $ 5 | 75.5 | 6.320811 | $ 0.05 |
| Oct-2086 | $ 3 | 76.5 | 6.320811 | $ 0.03 |
| Oct-2087 | $ 2 | 77.5 | 6.320811 | $ 0.02 |
| Oct-2088 | $ 1 | 78.5 | 6.320811 | $ 0.01 |
| Oct-2089 | $ 1 | 79.5 | 6.320811 | $ 0.01 |

**e.)**

i. The Contract will include a Schedule of Notional Payments, provided by the Contractholder and mutually agreed upon by Pacific Life. This schedule will show a series of Notional Payment Dates and Notional Payment Amounts. These cash flows represent the projected cash flow obligations of the pension plan. Pacific Life fully intends to pay the Contractholder according to the Schedule of Notional Payments. However, Pacific Life does not guarantee such payment at such time or in such amount, and does not provide a fixed interest rate or principal guarantee. To the extent Pacific Life does not make a payment according to the Schedule of Notional Payments, remaining payments will be adjusted on a pro-rata basis, unless mutually agreed upon otherwise, in order to preserve the Contract Value. The Contractholder may utilize other options under the Contract such as annuitization with Pacific Life, partial redemptions, or termination of the Contract. All options involve transactions at Contract Value and require an advance notification period, as stated in the Contract, by the Contractholder.

ii. The primary liquidity source will be the separate account via prudent asset-liability cash flow matching relative to the Schedule of Notional Payments. In addition, the separate account shall be mostly allocated towards treasuries and high investment grade corporate bonds, i.e. NAIC Category 1, that provide liquidity relative to other securities. Finally, the Pacific Life general account can provide liquidity support to this Contract. As of June 30, 2010, Pacific Life has more than $46.6 billion in general account assets, some of which are held in very short term investments or other highly liquid securities that can be quickly and easily sold. In addition, as of June 30, 2010, Pacific Life has readily available $1.5 billion cash and various liquidity facilities totaling more than $1.1 billion. This is comprised of credit facilities and commercial paper issuance capacity.

iii. Compliance with the asset maintenance requirement will be maintained at all times. If the market value of the separate account assets, plus the value of any assets held in the separately identified sub-segment of the general account as a reserve for the aggregate guaranteed Contract liabilities, less any appropriate deductions for these assets, are less than the aggregate guaranteed Contract liabilities, then Pacific Life will make a deposit to the separately identified sub-segment of the general account for the difference.

iv. All Contractholder deposits shall be allocated to the separate account. All transfers will be made in cash and in accordance with applicable law. Any transfers from Pacific Life's general account necessary to support the Contract will be made to a separately identified sub-segment of the general account. Any transfers of surplus from the Contract to the general account will be made first from the separately identified sub-segment of the general account, until exhausted, and then from the separate account. Subsequent to any such transfers, compliance with the asset maintenance requirement, if any, must be maintained.

v. The deduction percentage to be used in determining the market value of an asset when determining the asset maintenance requirement when the investment policy of the Portfolio is not likely to match the performance of the CPDC (i.e., the interest rate series on which Contract benefits are based) is as follows:

For debt instruments, the percentage shall be the NAIC asset valuation reserve "reserve objective factor," but the factor shall be increased fifty percent for the purpose of this calculation if the difference in durations of the assets and liabilities is more than half year;

For assets that are not debt instruments, the percentage shall be the NAIC asset valuation reserve "maximum reserve factor"; and

For replicated (synthetic) asset transactions, the market value of the Portfolio shall be decreased by an amount equal to the asset valuation reserve for the transaction as if the transaction were occurring in the general account, determined in accordance with SSAP No. 7; but to the extent that the NAIC asset valuation reserve maximum reserve factor was not used in determining the amount of the deduction, the amount of the deduction shall be increased fifty percent for purposes of this calculation.

vi. If any replicated assets are used in the separate account they will be regularly valued using current market prices.

**f.)** Hedging transactions may include buying or selling swaps, including but not limited to interest rate, total return, credit default, and currency swaps, interest rate caps and floors, futures contracts, options on interest rate futures contracts, and options on debt securities. These instruments will be used for managing the interest rate sensitivity of the cash flows, credit risk, cash flow matching, duration management or any other risk of the Portfolio relative to the liabilities. The use of hedging instruments to increase Portfolio leverage is not permitted.

**g.)** The duration of the Portfolio and the aggregate Contract Value of all Contracts will be measured on an option-adjusted basis commonly referred to as effective duration. The Portfolio will be evaluated in a manner that takes into account the impact of all hedging instruments.

**h.)**

i. A general account reserve liability may be established in the separately identified sub-segment of the general account if the aggregate guaranteed Contract liabilities exceed the market value of the separate account. The separately identified sub-segment of the general account will be funded by the general account for any shortfall in the market value of the separate account assets relative to the aggregate guaranteed Contract liabilities.

ii. Pacific Life may transfer cash from the separately identified sub-segment of the general account, until exhausted, and then from the separate account, to the general account at any time; *provided,* that subsequent to any such transfer that the asset maintenance requirement is maintained. Pacific Life shall transfer cash from the general account to the separately identified sub-segment of the general account whenever it is necessary to ensure that the market value of the separate account assets equals or exceeds the aggregate guaranteed Contract liabilities.

iii. As of June 30, 2010, Pacific Life has more than $46.6 billion in general account assets, some of which are held in very short term investments or other highly liquid securities that can be quickly and easily sold. In addition, as of June 30, 2010, Pacific Life has readily available $1.5 billion cash and various liquidity facilities totaling more than $1.1 billion. This is comprised of credit facilities and commercial paper issuance capacity.

**i)** To the extent permitted by Nebraska law, the separate account assets shall not be chargeable with liabilities arising from any other business of Pacific Life. Any assets in a separately identified sub-segment of the general account shall be chargeable with liabilities arising from any other business of Pacific Life.

**j)** No other person other than Pacific Life, or any sub-advisor retained by Pacific Life, may authorize, approve or review the acquisition and disposition of investments for the separate account or any separately identified sub-segment of the general account.

Although it is anticipated that Pacific Life will serve as the investment manager, Pacific Life reserves the right to hire an external manager to serve as sub-advisor for a portion or all of the Portfolio. In the event Pacific Life hires a sub-advisor, such sub-advisor would be evaluated and selected by Pacific Life in an RFP due diligence process.
Information required by the sub-advisor in such RFP shall include, but shall not be limited to:

- investment philosophy

- number and types of accounts managed
- number and type of accounts gained/lost
- historical performance in managing institutional assets
- biographies of managers
- tenure and turnover of key investment professionals
- technological and human resources capabilities
- investment strategy in expected and adverse economic scenarios and how strategy addresses key risks of the Contract
- description of any use of derivatives
- percentage allocation to different sectors and credit quality
- how the portfolio will provide adequate liquidity
- benchmarks and expected tracking error
- investment management fees
- description of performance measurement, attribution and appraisal

All actions of the sub-advisor must be in compliance with the terms of the sub-advisory agreement and the portfolio investment guidelines, as created by Pacific Life, unless otherwise agreed to by Pacific Life.